

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 753 - HB 1141

March 22, 2013

SUMMARY OF BILL: Requires, on or after January 1, 2015, all counties and municipalities issuing or renewing business tax licenses to provide such licenses applied for or renewed online.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures – Exceeds \$352,500/FY14-15*

Assumptions:

- Currently, 88 local government county clerks offer the renewal of vehicle registrations online.
- For the 88 county clerks that currently offer the renewal of vehicle registrations online, any increased expenditures for including the issuance or renewal of a business tax license is estimated to be not significant.
- There will be an increase in local expenditures for the remaining 7 counties to establish a method for providing business tax licenses and renewals online.
- According to the Municipal Technical Advisory Service (MTAS), business tax licenses are also issued by municipalities.
- It is estimated there are approximately 134 municipalities which do not currently have an established website capable of issuing or renewing business tax licenses.
- It is estimated the costs for establishing a website with this capability will be at least \$2,500 per entity, resulting in a total one-time increase in local government expenditures exceeding \$352,500 [\$2,500 per entity x (7 counties + 134 municipalities)]. Given the proposed deadline of January 1, 2015, these one-time local expenditures are assumed to occur in FY14-15. It is estimated that any recurring costs for maintenance of the site would be offset by fees charged by the local government entity for processing the business license renewal online.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', written in a cursive style.

Lucian D. Geise, Executive Director

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